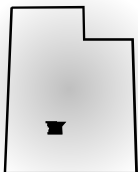


County Trends



Piute

March 2003

A Local Economic Perspective

Could Recovery be Ahead?

While Piute County hasn't seen a net increase in jobs lately, signs are that the county could be working itself out of the economic mire. Nevertheless, unemployment remains high. Can a truly bright spot be found in Piute County's economy? Yes, sales continued to boom.

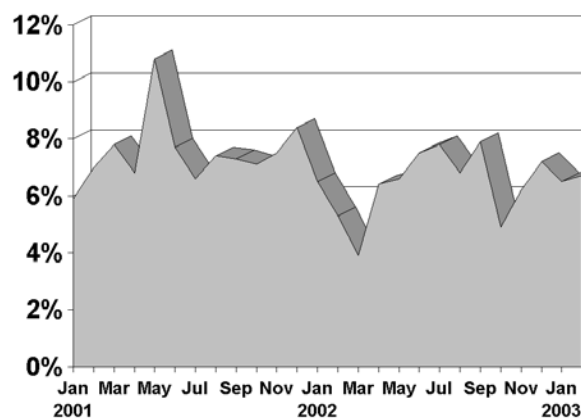
Labor Market May Improve

Employment growth in Piute County during most of 2001 proved almost stellar. Early in the year growth rates almost hit 25 percent. In other words, one in every four nonfarm jobs in Piute County were new. But from the peak of growth in March 2001, it was all downhill. Yet, the indicators signal that recovery may be on the horizon. Since May 2002, the losses have been getting smaller and smaller.

The most recent data available (September 2002) show nonfarm employment declining by 6 percent when compared to the previous year. This 16-job loss may not seem like much if you live in a populous county. But, for Piute County the decline is significant.

Most of the loss occurred in transportation. Fortunately, local government (which includes the school district) offset some of the losses in transportation.

Seasonally Adjusted Piute County Unemployment Rates

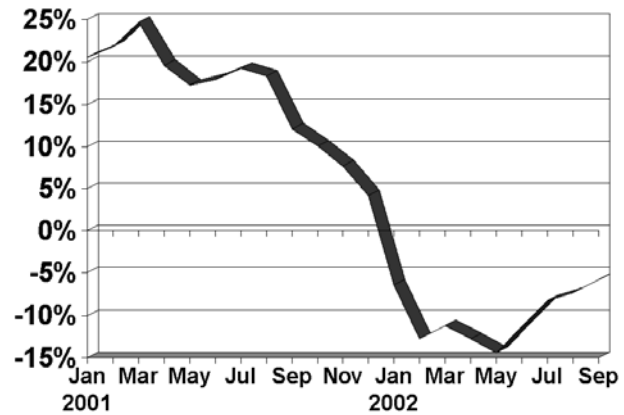


Source: Utah Department of Workforce Services.





Year-Over Change in Piute County Employment



Source: Utah Department of Workforce Services.

To the Point

While Piute County continued to bleed employment, the losses seem to be moderating. Yes, Piute County's labor market appears to be improving. Yet, joblessness remains stubbornly high and a faltering national economy may halt recovery. The brightest spot is a substantial increase in sales.

Otherwise, industry gains and/or losses proved fairly marginal.

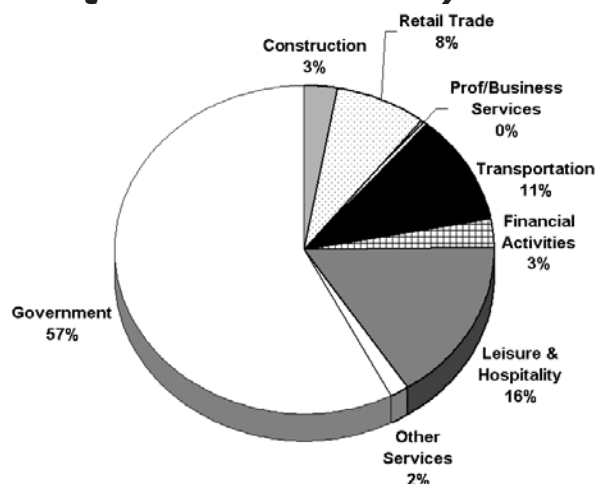
Why do we talk about nonfarm jobs? Where's the beef-raising? Well, it's not because we're not interested in agricultural employment. We are. But, most agricultural positions are not covered under the reporting requirements of the unemployment insurance laws—the source of our up-to-date data. We also can't count many of the self-employed jobs—for the same reason. In a county where both these categories provide a significant portion of employment, sometimes we aren't able to see the whole labor market picture.

For example, according to the 2000 Census, agriculture accounts for almost 16 percent of Piute County's employment. That's a significant portion of the labor market that we aren't able to track on a regular basis.

Unlike employment, Piute County's unemployment rates show no clear trend. However, one thing is certain—joblessness in Piute County remains relatively high. In February 2003, the county's unemployment rate measured 6.7 percent. That's noticeably higher than both the Utah and U.S. figures.

You might not be aware that unemployment rates and employment growth rates are measured differently. Employment-side data is measured by where a person works. Unemployment rates are measured by where a person lives. This also complicates Piute

Piute County 3rd Quarter 2000 Industry Shares



Source: Utah Department of Workforce Services.

County labor market analysis—especially since over 30 percent of the workforce commutes outside the county to work. In other words, even though the county may be losing employment, it may not have a drastic effect on the jobless rate.

Sales Still Strong

Piute County did excel in one area. For most of 2001 and 2002, the county has experienced significant growth in gross taxable sales. The third quarter of 2002 (most current data available) jumped in with one of the better performances of the past two years. Compared with the third quarter of 2001, sales were up by 12 percent.

Sales in both the retail trade industry and service industry were particularly encouraging—both registered over 20-percent growth. On the other hand, business investment dropped dramatically.

Ahead?

While the nation was on the track to recovery, current war fears seem to be derailing the economy. This, in turn, could put a halt to what appears to be the start of recovery in Piute County's labor market. A quick war with Iraq would do much to prop-up consumer confidence and therefore the economy.



Quick Facts

February 2003

Unemployment Rate

Piute County	6.7%
Utah	5.3%
U.S.	5.8%

Sept 2002 Change from Previous Year

Job Growth

Piute County	-5.8%
Utah	-0.9%
U.S.	-0.7%

3rd Qtr 2002 Change from Previous Year

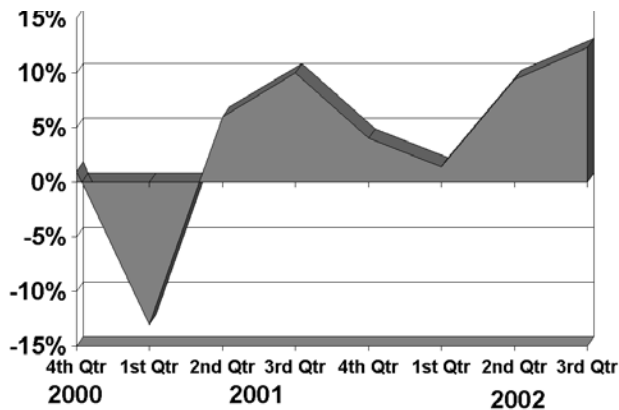
Sales

Piute County	12.3%
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Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission.

***For more economic information about Piute County see:
<http://jobs.utah.gov/wi/regions/county.asp>***

Year-Over Change in Piute County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up? ⁴

- Rural Utah counties preparing budgets for next year may face cutbacks in federal PILT funds. Since 1977, the federal government has provided "payment in lieu of taxes" funds to counties with large tracts of nontaxable federal land. The federal budget for 2003 has yet to be approved, and President Bush wants to cut PILT money by 23.5 percent. Utah is fifth in the nation in PILT funding, behind California. In 2002, Utah received more than \$16 million.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/piute/piuteeee.pdf>



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Equal Opportunity Employment Program

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